

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 2295-01
Bill No.: HB 1006
Subject: Creates the Pesticide Project Fund to fund various pesticide related issues.
Type: Original
Date: April 11, 2001

FISCAL SUMMARY

ESTIMATED NET EFFECT ON STATE FUNDS			
FUND AFFECTED	FY 2002	FY 2003	FY 2004
General Revenue	(\$177,815)	(\$177,815)	(\$177,815)
Pesticide Project Fund	\$791,185	\$793,970	\$792,069
Total Estimated Net Effect on <u>All</u> State Funds	\$613,370	\$616,155	\$614,254

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2002	FY 2003	FY 2004
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2002	FY 2003	FY 2004
Local Government	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.

This fiscal note contains 5 pages.

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Department of Natural Resources (DNR)** stated the proposed legislation states that only the entities listed are eligible to submit proposed projects to be funded. Since the DNR is not one of the entities listed, there would not be a direct fiscal impact.

Officials from the **Office of the State Treasurer** and **Office of State Courts Administrator** stated the proposed legislation would not fiscally affect their agencies.

Officials from the **Department of Health (DOH)** stated this legislation would not be expected to significantly impact the operations of the DOH. If the proposal were to substantially impact the DOH programs, then the DOH would request funding through the appropriations process.

Officials from the **University of Missouri (UM)** stated the proposed legislation creates additional opportunities for collaboration between the UM and the Missouri Department of Agriculture to support programs that are important to the future of agriculture and natural resources. There do not appear to be any unfunded mandates on the UM associated with the proposed legislation; and, therefore, the cost to the UM would be \$0.

Officials from the **Office of Administration (OA) - Division of Budget and Planning** stated the proposed legislation should not result in additional costs or savings to the OA. However, this legislation will increase total state revenue.

Officials from the **Department of Agriculture (AGR)** stated the proposed legislation will require one Program Coordinator to administer this program, i.e., to account for all money and solicit, review and fund grant proposals. It would require the Program Coordinator to visit all funded projects 2-4 times per year to make sure requirements of grant and/or Memorandum of Understanding are being fulfilled. One-half time clerical person would be needed to handle all clerical work such as typing Memorandum of Understandings, financial accounting, filing and other clerical work. All personal services funding will come from the "Pesticide Project Fund", i.e., no general revenue funding.

<u>FISCAL IMPACT - State Government</u>	FY 2002 (10 Mo.)	FY 2003	FY 2004
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GENERAL REVENUE

Costs - Department of Agriculture

Transfer of Current Registration Fees to the Pesticide Project Fund	<u>(\$177,815)</u>	<u>(\$177,815)</u>	<u>(\$177,815)</u>
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NET ESTIMATED EFFECT ON GENERAL REVENUE FUND	<u>(\$177,815)</u>	<u>(\$177,815)</u>	<u>(\$177,815)</u>
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PESTICIDE PROJECT FUND

Income - Department of Agriculture

Pesticide Registration Fees	\$870,000	\$870,000	\$870,000
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Costs - Department of Agriculture

Personal Service Costs (1.5 FTE)	(\$46,361)	(\$57,024)	(\$58,450)
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Fringe Benefits	(\$15,452)	(\$19,006)	(\$19,481)
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Equipment and Expense	<u>(\$17,002)</u>	<u>\$0</u>	<u>\$0</u>
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Total <u>Costs</u> - Department of Agriculture	<u>(\$78,815)</u>	<u>(\$76,030)</u>	<u>(\$77,931)</u>
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NET ESTIMATED EFFECT ON PESTICIDE PROJECT FUND	<u>\$791,185</u>	<u>\$793,970</u>	<u>\$792,069</u>
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<u>FISCAL IMPACT - Local Government</u>	FY 2002 (10 Mo.)	FY 2003	FY 2004
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<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
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FISCAL IMPACT - Small Business

Small businesses that sell or commercially transports pesticides will have increased costs as a result of the proposed legislation. Potential cost increases due to increased registration fees and renewal penalties is unknown.

DESCRIPTION

Currently, anyone who sells or commercially transports pesticides pays an annual \$15 registration fee for each product to the General Revenue Fund. This bill increases the annual fee to \$75 and changes the late renewal penalty from \$5 to 25% of overdue registration fees.

DESCRIPTION (continued)

Revenue is deposited in the Pesticide Project Fund to maintain a maximum balance of \$2 million. Excess funds revert to general revenue.

The Pesticide Project Fund is administered by the Plant Industries Division of the Department of Agriculture. Up to 10% of the fund may be used for administration. Beginning July 1, 2002, portions of the fund may be used for designated projects, including the following department programs: up to 15% for integrated pest management; up to 15% for sustainable agriculture; and up to 10% for agriculture awareness. Up to 30% of the fund may be used for pesticide education through the Pesticide Applicator Training program at the University of Missouri and up to 20% may be used for pesticide and water quality monitoring projects. Any remaining funds may be used on other pesticide-related projects.

Allocation of project funds requires an executed memorandum of understanding between the department and the applicant. Before each fiscal year, applicants must submit proposals to the department by March 31. Successful applicants must submit a project report within 30 days after the end of the fiscal year. Project revenue that is not spent or obligated reverts to the fund 60 days after the project is completed. The department may require applicants that do not complete their projects as intended to remit partial or full repayments.

The bill also allows the department to deny, cancel, suspend, or revoke the registration of a pesticide if the product is found to be harmful to humans or the environment.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Department of Agriculture
Office of State Courts Administrator
Office of Administration - Division of Budget and Planning
Office of State Treasurer
University of Missouri
Department of Health



Jeanne Jarrett, CPA
Director
April 11, 2001

